



OFFICE OF GOVERNOR MARK DAYTON

www.mn.gov/governor | January 2013

Direct Property Tax Relief for Minnesotans

Cutting Our State's Most Unfair Tax by \$1.4 Billion

Over the last ten years, property taxes have skyrocketed by 86%, placing a huge burden on the middle class. The Governor's budget cuts property taxes by \$1.4 billion over the next two years. It also provides a property tax rebate of up to \$500 for Minnesota homeowners.

Delivering Property Tax Relief for the Middle Class

The Governor's budget provides \$1.4 billion in direct property tax relief.

» **Property Tax Rebates for Minnesota Homeowners.** The Governor's budget cuts homeowner property taxes by 22% statewide – the biggest property tax reduction since 2002. His budget also delivers a rebate of up to \$500 rebate for Minnesota homeowners.

» **\$120 Million Increase in Aid to Cities and Counties.** The Governor's budget increases LGA by \$80 million and CPA by \$40 million annually. His budget also simplifies the distribution formula for aid to local governments, making the system more predictable and reliable.

Background

The time for property tax relief is long overdue. Over the last decade, property taxes have gone up by nearly 86%, placing an undue burden on Minnesota homeowners.

» **Property Taxpayers are Paying More.** In 1999, property taxes comprised 30% of all state and local taxes paid by Minnesota homeowners. By 2010, that share is 40% – meaning property owners are paying more in property taxes than any time since the early 1970s.

» **Aid to Local Governments Has Been Cut Dramatically.** Aid to local governments is one of the most effective tools in holding down property taxes. Since 2002, County Program Aid (CPA) has been cut by 37% and Local Government Aid (LGA) has been cut by 24%.

Property Tax Relief by the Numbers

86%	Property taxes have gone up 86% over the last decade
\$1.4B	The Governor's budget delivers \$1.4 billion in direct property tax relief
22%	Reduction in homeowner property taxes
\$500	Every homestead will receive a state property tax rebate of up to \$500